LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
http://www.in.gov/legislative

FISCAL IMPACT STATEMENT

LS 6444
BILL NUMBER: HB 1514

NOTE PREPARED: Dec 12, 2002
BILL AMENDED:

SUBJECT: Accountability Plans for Prisoner Meal Allowances.

FIRST AUTHOR: Rep. Welch
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill requires a sheriff to account for expenditures for feeding prisoners in counties where an accounting is not otherwise required by law. It requires a reimbursement plan to meet the requirements of an accountability plan under the Internal Revenue Code. (The introduced version of this bill was prepared by the County Government Study Commission.)

Effective Date: Upon passage; July 1, 2003.

Explanation of State Expenditures: The State Board of Accounts may experience an increase in expenditures if it chooses to establish standards, forms, and procedures for implementing an accountability plan that complies with the provisions of this bill.

Explanation of State Revenues:

Explanation of Local Expenditures: This bill requires county sheriffs to utilize an accountability plan for prisoner meal allowances. Many counties already have accountability plans and/or budgeted meal allowances. County sheriffs that do not have an accountability plan for feeding prisoners may have increased record keeping expenditures because the sheriff would now be required to report meal expenses. In addition, only the net expense, not the entire meal allowance, would be reported as income by sheriffs. This in turn, may cause county costs for sheriff's pensions to decrease if salary negotiations do not ensue to make up for what may be considered lost compensation.

Background - According to current law, a sheriff may pay for prisoners' meals via county general fund appropriations or allowances received from the county auditor based on the rate fixed by the State Board of

Accounts and number of prisoners in a month's time. The rate set by the State Board of Accounts is based on the Consumer Price Index and is adjusted annually. The rate, however, may not exceed $2 as provided by statute.

County sheriffs who do not use a salary contract may keep the excess meal allowances as they are not required to give that money back to the county. They are also able to report entire meal allowances as income under this arrangement. It is not known exactly how many county sheriffs use a non-accountable plan. However, the Indiana Sheriffs' Association *2002 Salary Survey* lists at least four county sheriffs who use a non-accountable plan.

Those sheriffs who are paid a percentage of the prosecutor's salary are not allowed to receive meal allowances from the county auditor.

Explanation of Local Revenues:

State Agencies Affected: State Board of Accounts.

Local Agencies Affected: County Sheriffs.

Information Sources: Bruce Hartman, State Board of Accounts, 317-232-2512; Indiana Sheriffs' Association.

Fiscal Analyst: Valerie Ruda, 317-232-9867